United Nations S/2005/265

Security Council

Distr.: General
25 April 2005

Original: English

Letter dated 21 April 2005 from the Chairman of the Security Council Committee established pursuant to resolution 1373 (2001) concerning counter-terrorism addressed to the President of the Security Council

I write with reference to my predecessor's letter of 16 December 2004 (S/2004/995). The Counter-Terrorism Committee has received the attached fourth report from the Syrian Arab Republic submitted pursuant to paragraph 6 of resolution 1373 (2001) (see annex). I would be grateful if you could arrange for the present letter and its annex to be circulated as a document of the Security Council.

(*Signed*) Ellen Margrethe **Løj**
Chairman
Security Council Committee established pursuant to resolution 1373 (2001) concerning counter-terrorism

05-32291 (E) 060705

Annex

Letter dated 20 April 2005 from the Permanent Representative of the Syrian Arab Republic to the United Nations addressed to the Chairman of the Counter-Terrorism Committee

With reference to the Chairman's letter dated 16 December 2004 (S/2004/995) and to the Mission's note dated 2 March 2005, I have the honour, upon instruction from my Government, to transmit herewith the fourth report of the Syrian Arab Republic to the Counter-Terrorism Committee pursuant to paragraph 6 of resolution 1373 (2001) (see enclosure).

(*Signed*) Fayssal **Mekdad**
Ambassador
Permanent Representative

Enclosure*

[Original: Arabic]

Fourth report by the Syrian Arab Republic to the Counter-Terrorism Committee

1. Implementation measures

Criminalization of the financing of terrorism and the effectiveness of the protection of the financial system.

1.1 The Counter-Terrorism Committee takes note of Syria's response (page 3 of the third report) pertaining to the implementation of its obligations under subparagraph 1 (b) of the resolution. In this context, the Committee would like to point out that articles 218, 304 and 305 of the Penal Code do not correspond to the requirements needed for the effective implementation of this subparagraph. The Committee, therefore, would appreciate learning Syria's intention in taking action in this regard, including any steps that are intended to be taken to introduce amendments necessary to establish financing of terrorism as an autonomous criminal offence. The Committee requests that in making the financing of terrorism an autonomous criminal offence, Syria take into account the effective requirements of such criminalization as outlined in question 1.2 of the letter from the Committee to Syria dated 4 April 2003 (S/AC.40/2002/MS/OC.225). Given the urgency of the need fully to implement the resolution, the Committee considers the passage of such amendments or new legislation to be a priority.

With regard to the amendments to be made to the Penal Code in order to establish the financing of terrorism as an autonomous criminal offence, Syria is about to amend Law No. 59 concerning action to combat money-laundering, which will become the Law concerning action to combat money-laundering and the financing of terrorism. The law sets forth the penalties faced by those responsible for the financing of terrorism and makes the accomplice, intermediary, instigator and recipient liable to the same penalties as the perpetrator of the act. This law should be promulgated in the coming weeks. Promulgation was delayed only because the text had been submitted to the International Monetary Fund for preliminary comments and had to be submitted to it again for final comments, before being submitted to the People's Council.

1.2 The Committee takes note that Syria has no provisions concerning the freezing of assets and that each case is considered separately in accordance with the requirements of the public interest, as indicated at page 3 of the third report. In this regard, the Committee wishes to emphasize once again the requirements of subparagraph 1 (c) of the resolution, which requires, inter alia, that States freeze without delay the funds, financial assets and other economic resources of persons and entities, both resident and non-resident, who commit, attempt to commit, participate in or facilitate the commission of terrorist acts. It should be noted also that for this purpose, the funds and other resources need not be the proceeds of crime but could be of lawful origin, and be used for

* Annexes are on file with the Secretariat and are available for consultation.

terrorist purposes, either within or outside the territory of the Syrian Arab Republic. Therefore, the Committee would appreciate learning what Syria's intentions are, and what, if any, steps it plans to take in order to introduce the necessary domestic provisions to implement subparagraph 1 (c) of the resolution effectively.

The Syrian Arab Republic is aware that terrorism can be financed with funds that are legal and/or illegal in origin. With regard to the freezing of funds and other financial assets or economic resources belonging to any person or entity that commits or attempts to commit terrorist acts, or facilitates or participates in them, this measure is provided for under the law concerning action to combat money-laundering and the financing of terrorism which will be promulgated in the near future, as indicated in the response to question 1.1.

1.3 The Counter-Terrorism Committee notes Syria's response on page 3 of the third report, concerning the obligations to report suspected transactions. In this regard, it would appreciate receiving an outline of the domestic provisions and mechanisms in place that regulate such reporting mechanisms carried out by the public institutions that handle financial and banking activities. Please also indicate which are the competent bodies, referred to at page 3 of the third report, involved in this process.

With regard to the question put by the Committee concerning domestic provisions and mechanisms in place that regulate the obligation to report suspect operations carried out by the public institutions that handle financial and banking activities, article 4 of Decree-Law No. 59 of 2003 concerning money-laundering provides as follows:

> "(a) Banking and financial institutions registered with the Central Bank of Syria are obliged to monitor the transactions that they conduct with their clients, in order to avoid becoming involved in operations likely to constitute the laundering of illegal funds.
>
> (b) The principles of such monitoring are defined in a regulation promulgated by a decree issued by the Prime Minister, encompassing at least the following elements:
>
> (i) Verification of the identity of the banking or financial institution's regular clients and determination of the true identity of the holder of the economic rights in cases of transactions through agents, under cover of assumed names belonging to persons, institutions or companies or through numbered accounts;
>
> (ii) Application of the verification procedures referred to in paragraph (b) (i) above concerning the identity of casual clients, if the operation in question concerns an amount higher than the ceiling set by the Minister of Economy and Foreign Trade;
>
> (iii) Keeping of photocopies of documentation pertaining to the operation as a whole and official documents ascertaining client identity for five years as of the date of the operation or the closing of the account;
>
> (iv) Definition of indicators that might lead to suspicion of a money-laundering operation and definition of the principles of precaution and care that would allow for the discovery of suspect operations;

(v) Obligation on the part of banking and financial institutions not to furnish false information for the purpose of deceiving the administrative and judicial authorities;

(vi) Verification by internal auditors of bank accounts and by auditors from the Government Banking Commission that banks and the other financial institutions referred to in this decree-law act in conformity with the provisions of the regulation cited in paragraph (b) above, with any offence in that connection to be notified to the body established for the purpose at the Central Bank of Syria.

(c) Banking and financial institutions registered with the Central Bank of Syria must take precautions and show that they have been careful in their transactions with correspondent banks to avoid involvement in suspect operations, and also to take first-rate banks as correspondents."

(It should be noted that the new law shortly to be promulgated, as indicated in question 1.1, covers not only money-laundering operations but also the financing of terrorism.)

Law No. 23 of 2002 concerning the Central Bank of Syria and the basic monetary system provides that all banks are subject to monitoring by the Central Bank of Syria and are placed under its oversight. In addition, article 109 of this law sets forth the obligation to designate internal auditors within banks.

These auditors have the necessary powers, and their nomination, which is submitted by the bank in question, is approved by the Currency and Credit Council (the Currency and Credit Council is the body that regulates the activities of monetary and credit institutions, defines and implements monetary policy, monitors the banking system, regulates deposit and compensation operations, oversees the banking profession and advises the Government on financial matters).

Articles 110 and 112 of Law No. 23 of 2002 concerning the Central Bank of Syria and the basic monetary system read as follows:

"*Article 110*

1. Internal auditors shall in general perform all the functions attributed by law to inspectors in companies where this type of oversight is practised.

2. Consequently, internal auditors shall consult banks' registers and correspondence, the minutes of their meetings and all their financial records in a general way. They shall monitor the regularity of the annual financial statements (balance sheets and budget) in the reports and all documents and declarations that banks must submit under this law, and vouch for their authenticity.

3. They shall also verify banks' compliance with the judicial and administrative instruments and decisions that govern them.

4. They must inform the Government Banking Commission of any decision or situation that might imperil a bank's assets or its liquidity.

5. The Government Banking Commission shall give the auditors all the guidelines and instructions necessary for the accomplishment of their assignment."

"*Article 112*

1. All internal auditors must immediately inform the members of the board of directors and the senior management of the bank of any irregularity that they might observe.

2. If an internal auditor becomes aware of any decision taken by the bank, the implementation of which would constitute a criminal offence, he must oppose it and quickly bring the matter before the Government Banking Commission. Such opposition shall lead to an eight-day suspension of the implementation of the decision. This provision shall not apply to offences of a fiscal nature."

In addition to the activities of internal auditors described above, oversight is exercised directly by the Central Bank through the auditors of the Government Banking Commission, which conducts two types of monitoring:

1. Off-site monitoring: banks submit reports to the Central Bank of Syria which are examined by the Government Commission;

2. On-site monitoring: monitors from the Government Commission go to the premises of public or private banks to examine their accounts and their operations.

Should the monitors discover a suspect operation, they send a report on the question to the Agency for Combating Money-Laundering (see below) of the Central Bank of Syria. This body then meets to study the report and take the appropriate measures.

The competent body, which was defined by Decree-Law No. 59 of 2003, is called the Agency for Combating Money-Laundering, under article 5 of the decree-law in question. Upon the adoption of the forthcoming law concerning action to combat money-laundering and the financing of terrorism, the name will be changed to "Agency for Combating Money-Laundering and the Financing of Terrorism". This body will investigate operations that are suspected of involving money-laundering (the text of the new law, referred to in the answer to question 1.1, extends this investigative power to operations involving the financing of terrorism). Under article 7 of Decree-Law No. 59 of 2003, bank directors, auditors and chairmen of financial institutions must immediately inform this body of any suspect operation. The board will then meet immediately. It has three working days to study the information communicated to it and to take a temporary decision to freeze the account(s) concerned for renewable time periods until the matter has been resolved.

1.4 The Counter-Terrorism Committee takes note of Syria's response to the Committee's inquiry about the mechanisms to register, audit and monitor the collection and use of funds and other resources by religious, charitable and other associations. In this regard, the Committee notes that the work of an association of any kind in Syria is subject to the legal provisions that are currently in force, and that in the event of any breach of the regulations, the association would be subject to penalties, as explained at page 4 of the third report. The Committee is interested however, to learn about the mechanisms and executive procedures employed by the competent authorities in Syria that aim at monitoring the activities of these associations in order to establish whether or not any of them have committed a breach of the regulations. The

Committee is particularly interested to learn about the mechanism employed by Syria that pertains to the regulation of activities of a financial nature.

In the Syrian Arab Republic, associations are governed by Law No. 93 of 1958 concerning associations and private institutions and their by-laws and other relevant texts.

All associations have an annual budget and, if this budget exceeds 10,000 Syrian pounds, the association's annual accounts must be submitted for review to an accountant approved by the Ministry of Social Affairs and Labour, together with supporting documents, at least one month before the association holds its annual general meeting. The budget and the reports by the board of directors and the accountant are available for consultation at the association's main office at least eight days before the general meeting and remain available until approved by the meeting. Any member of the association has the right to consult these documents.

The association's general meeting is convened once a year, within three months following the close of the association's financial year, to review the budget, the year's accounts and the report on the activities of the board of directors.

The Ministry of Social Affairs and Labour sends a delegate to the general meeting, who reviews the board of directors' report on the association's activities during the period just past, the auditors' report, the implementation of the budget for the financial year and the budgetary forecasts.

The Ministry establishes a plan for monitoring associations' activities. Specialized officials visit the associations in order to consult the administrative and financial registers and to monitor activities. Where necessary, the Ministry, under article 26, paragraph 2, of the law on associations and private institutions, designates one or more of its officials to sit on the board of directors of certain associations.

The collection of donations is governed by the regulation of the same name established by decision 1347 of 30 December 1971, which categorizes as collection of donations any solicitation of the public, in whatever form, including charitable sales, various events, donations for which a receipt is given, collections, almanac sales, etc., as well as in-kind donations. Collection of donations requires prior authorization from the executive office of the province concerned. The association's seal and that of the directorate of social affairs and labour in the province concerned are affixed to the letters and the receipts used for the collection, under the supervision of a delegation from the association's board of directors. The delegation is approved by the directorate. Collection is monitored by agents of the Ministry of Social Affairs and Labour in the province concerned, as well as by the association itself and society as a whole. At the end of the period covered by the authorization, a report indicating the amount of the collection is prepared at the directorate of social affairs and labour under the supervision of agents from the directorate and in the presence of the association's delegation. The total of the amounts collected is then deposited in the association's account in a bank approved by the Ministry of Social Affairs and Labour. It should be emphasized in this connection that no association has the right to hold in cash an amount higher than that provided for in its internal regulations as approved by the Ministry, and this amount is rarely more than 150,000 Syrian pounds, for miscellaneous and unexpected expenses. In addition, withdrawal of funds from the association's bank account is not permitted

without a decision to that effect from the association's board of directors, which is signed by the treasurer and the chairman. These decisions, like others, are communicated to the directorate of social affairs and labour for the province concerned, where they are reviewed by the competent services, which take the appropriate legal measures if they detect an irregularity.

It should be noted that assistance provided by charitable associations to persons in need is governed by circular No. C/2/5773 of 30 October 2003, issued by the Ministry of Social Affairs and Labour, which obliges associations to maintain a detailed register of persons receiving their assistance. A copy of the register is forwarded to the directorate of social affairs in the province concerned, which closely reviews the assistance provided.

Concerning financing of an association by a source located outside the territory of the Syrian Arab Republic or financing by a foreign party, the association must provide the Ministry with statements containing information on the parties or sources in question, which are reviewed by the competent services before the Ministry takes a decision under the provisions of article 21 of Law No. 93 of 1958 concerning associations and private institutions, as amended.

The directorate of social affairs and labour in the province concerned monitors on a permanent basis the funds received by all associations and the corresponding disbursements, in order that the operational mechanism is used in accordance with the laws and regulations in force.

1.5 The Counter-Terrorism Committee takes note of Syria's explanation regarding the SWIFT wire system (page 4 of the third report) and would appreciate receiving an outline of the provisions and mechanisms in place which regulate and supervise these activities by Syria, as indicated at page 4 of the third report.

The SWIFT wire system is used by the Central Bank of Syria and the Syrian Commercial Bank (Government-owned establishments) and by private banks in accordance with recognized international norms. It should be noted that the world headquarters of the Swift company is in Belgium, that this company maintains an SAB point of contact in Lebanon and another in Bahrain, since Syrian banks operate through the intermediary of the Beirut (Lebanon) contact point in conformity with the rules established by the parent company (Belgium) and in complete confidentiality, considering that the parent company is the only one of its type in the world, that it is non-profit in nature, that it is the property of the banks and that the Syrian banks therefore have shares in it.

1.6 Please outline those provisions and/or mechanisms in place that regulate alternative remittance services, such as hawala, that operate in Syria.

Alternative remittance services are prohibited in Syria, and those who engage in such activities are liable to severe penalties under foreign-exchange legislation, as Syria still imposes controls on foreign-exchange transactions.

The new law mentioned in the reply to question 1.1 is aimed at authorizing the creation of such services in the future, as it imposes controls on such transactions as well as an obligation to report suspicious transactions to the Agency for Combating Money-Laundering (the new law covers money-transfer agencies, agencies issuing

payment instruments, financial intermediaries, lawyers, notaries and accountants engaging in transactions on their clients' behalf).

1.7 The Committee takes note that banks operating in Syria are public banks, are under the supervision of the Ministry of Economy and Foreign Trade, and are monitored by the Central Bank of Syria, as explained at page 4 of the third report. However, the Committee would like to point out that the very fact that a financial institution is under the supervision of a governmental institution does not necessarily mean that attempts to commit financial transactions of a suspicious nature may not take place. Furthermore, one of the chief objectives of governmental supervision would be to ensure that such suspicious transactions do not take place. In order to attain this objective, financial institutions, even if governmental, should adopt necessary monitoring and reporting provisions and mechanisms. The Committee wishes also to recall the draft law on money-laundering, referred to at page 5 of the supplementary report, which considers acts of money-laundering to include "transferring or substituting funds in full knowledge of their illegality for the purpose of concealing or distorting their obligation, or assist a person involved in the perpetration of a crime in evading responsibility". The Committee, therefore, would appreciate receiving a progress report pertaining to the enactment of the draft law on money-laundering (of which the scope is outlined at page 5 of the supplementary report), which was being studied by Syria since the submission of its first report on 13 December 2001. The Committee would also like to receive an outline of any executive provisions adopted in this regard.

In the first place, it should be noted that private banks have been operating in Syria for about a year. Currently there are three such banks, and three others are in the process of being set up. In this regard, mention should be made of Law No. 28 of 2005 on the creation of private and mixed public-private banks and the implementation guidelines for that law, which provides for very strict and precise conditions for opening private banks.

The new law mentioned in the reply to question 1.1 will include a specific provision, under which financial and banking institutions operating in Syrian free-trade zones will be subject to its provisions.

The legal provisions and relevant supervision and declaration mechanisms have been touched upon in the reply to question 1.3 above.

1.8 The Committee would further appreciate receiving a progress report in relation to the steps taken, if any, to establish a body within the Central Bank to investigate transactions suspected of involving not only money-laundering (page 5 of the supplementary report), but also the financing of terrorism.

Such a body has existed in Syria since 2003, having been established under Decree-Law No. 59 of 2003; it is called the Agency for Combating Money-Laundering. Its mission is to investigate operations suspected of involving the laundering of illegally derived funds.

Under the new law cited in the reply to question 1.1, this body will be renamed as the Agency for Combating Money-Laundering and the Financing of Terrorism; its function will be to watch for and prohibit any transaction related to money-laundering or the financing of terrorism, and to take the necessary measures in that regard. It will exchange information collected by its financial information collection

unit with similar units in other countries, in conformity with the principles and procedures established under Syrian laws and regulations currently in effect, as well as the bilateral and multilateral agreements to which the Syrian Arab Republic is a party, on a reciprocal basis.

Further details on the composition and functioning of this body are available in the text of articles 5 to 10 of Decree-Law No. 59 of 2003.

1.9 In relation to transactions outlined at page 4 of the third report, the Committee would appreciate receiving an outline of the provisions and mechanisms in place that monitor these transactions in order to ensure that they are not directed to achieve a purpose other than that for which they claim to be intended.

Legal provisions regarding money-laundering issues are contained in articles 12 to 15 of Decree-Law No. 59 of 2003, as follows:

Article 12

(a) Any person who perpetrates, acts as an intermediary for or is an accomplice to transactions to launder illicit funds originating from any of the offences cited in article 1 of the present decree-law, in the knowledge that such funds derive from illegal activities, is subject to a penalty of a term of imprisonment of three to six years and a fine of not less than 1 million Syrian pounds, unless the offence is such as to qualify for more severe penalties. The severity of these penalties is increased in accordance with article 247 of the Penal Code if the offence is committed in the context of an organized criminal group.

(b) Any attempt to launder illicit funds, as well as complicity, intermediation or incitement with regard to such funds, or receipt of the proceeds thereof, is subject to the same penalties as the actual crime.

(c) The penalty stipulated in paragraph (a) above is of a criminal nature.

Article 13

(a) The competent court may proceed to seize any property derived from the crimes mentioned in the preceding article, or resulting from them.

(b) If the funds have been transferred or exchanged for funds of another type, they are nevertheless subject to seizure in their new form, and, in cases where illegal and legal funds have been mixed, seizure will be in the amount of the original illegal funds, without prejudice to the right of the Agency to freeze the funds pending completion of the investigation.

(c) Also subject to freezing or seizure are accounts receivable or payable concerning illegal funds or funds for which illegal funds have been exchanged or in which illegal funds have been mixed, subject to the same conditions as those applicable to the freezing or seizure of illegal funds.

Article 14

Apart from the penalties stipulated in Articles 12 and 13 of the present decree-law, judicial decisions contain provisions for posting and dissemination of the verdict, for expelling foreigners from Syrian territory, if necessary, or handing them over to the authorities of their home countries, closing the premises involved and

suspending the activities of the legal person or dissolving them in the cases of a repeat offence, the latter three provisions not applying to public entities.

Article 15

Any person who contravenes the provisions of Articles 3, 4, 7 (a), 9 (a) and 10 of the present decree-law is liable to a penalty of imprisonment of three months to one year and a fine of 250,000 to 1 million Syrian pounds.

It should be emphasized that the new law cited in the reply to question 1.1 covers the financing of terrorism and enables the Syrian judicial authorities to order the execution of final decisions delivered by foreign courts relating to the seizure of funds deriving from money-laundering transactions and their proceeds, or arising from the financing of terrorism under the conditions and according to the procedures defined in current Syrian laws and regulations and in the bilateral or multilateral agreements to which the Syrian Arab Republic is a party, or on a reciprocal basis.

Effectiveness of interstate cooperation in criminal matters

1.10 In relation to the effective implementation of subparagraph 2 (f) of the resolution, the Committee would appreciate receiving the list of countries requested in question 1.12 of its previous letter to Syria, dated 4 April 2003 (S/AC.40/2002/MS/OC.225).

The Syrian Arab Republic has ties with most Arab countries and a number of foreign countries through legal agreements. The Arab countries in question are as follows: the Republic of the Sudan; the Kingdom of Bahrain; the People's Democratic Republic of Algeria; the Republic of Tunisia; the Kingdom of Morocco; the United Arab Emirates; the Arab Republic of Egypt; the Hashemite Kingdom of Jordan; the Lebanese Republic; and the State of Kuwait. In general, these conventions are agreements on mutual legal assistance in civil, commercial and criminal matters, covering cases of personal status, extradition of criminals, settling of estates, representation and the implementation of judicial decisions.

In addition, the Syrian Arab Republic has acceded to the Riyad Convention on Judicial Cooperation, which brings together the members of the League of Arab States. It has also acceded to the Arab Convention for the Suppression of Terrorism, by virtue of Decree-Law No. 48 of 2001.

The Syrian Arab Republic has ties to the following countries through legal cooperation agreements: Hungary; the Czech Republic; Slovakia; Bulgaria; Poland; Romania; Russia; Cyprus; Germany; and Greece.

In general, these conventions are agreements on mutual legal assistance in civil, criminal and personal status matters.

The Syrian Arab Republic has ties to Iran through an agreement on mutual legal and judicial assistance in civil, criminal and personal status matters, as well as in the areas of commerce, transfer of convicted persons and settling of estates. Syria also has ties to the Republic of Turkey through a convention on extradition of criminals and mutual legal assistance in criminal matters.

1.11 In relation to Law No. 53 of 1955 on the extradition of criminals, which enables Syria to cooperate on extradition matters with other States, the Committee is interested in knowing whether the application of this law is subject to the pre-existence of a treaty on extradition with the requesting State or not. If the answer is in the affirmative, please provide the Committee with the relevant provisions of this law.

Under article 1 of Law No. 53 of 1955 concerning the extradition of criminals, in the absence of international agreements between Syria and other States, extradition of perpetrators of common crimes or persons being prosecuted for such crimes is governed by the provisions of the aforementioned law and by the provisions relating to extradition set forth in articles 30 to 36 of the Penal Code, which set the conditions for extradition. The text of the articles is as follows:

Article 30

"With the exception of cases established under this law, no person may be handed over to a foreign State other than in implementation of a legally binding agreement."

Article 31

Extradition shall be lawful for:

1. Crimes committed in the territory of the requesting State;

2. Crimes against its security or its physical structures;

3. Crimes committed by its nationals.

Article 32

Persons committing offences under Syrian law, in particular those established under articles 15 to 17, 18 (last paragraph) and 19 to 21, may not be extradited.

Article 15

1. Syrian law shall apply to all crimes committed on Syrian soil.

2. A crime shall be considered to have been committed on Syrian soil:

(a) If one of the elements constituting a crime, or an act inseparable from a crime or a principal or subsidiary act of collaboration took place on Syrian soil;

(b) If the outcome of the crime occurred or was expected to occur on Syrian soil.

Article 16

Airspace located above Syrian territory shall constitute part of Syrian territory.

Article 17

For the application of the Penal Code, the following shall fall under Syrian jurisdiction:

1. The territorial sea, up to a distance of 20 kilometres from the coast, starting at the low-tide line;

2. The airspace above the territorial sea;

3. Syrian ships and aircraft;

4. Foreign territory occupied by the Syrian army, where the offences committed affect the security of the army or its interests.

Article 18

Syrian law shall not apply:

1. In Syrian airspace, to offences committed on board a foreign aircraft, if that aircraft has landed in Syria after the offence was committed;

2. In Syrian territorial seas or Syrian airspace, to offences committed on board a foreign ship or aircraft.

Article 19

1. Syrian law shall apply to any person, Syrian or foreign, who outside Syrian territory commits, incites to commit or participates in an offence against State security, counterfeits the State seal, or imitates or counterfeits Syrian or foreign currency or cash bonds that are legal tender or in use in Syria.

2. These provisions shall not be applicable to foreigners whose activities do not contravene the rules of international law.

Article 20

Syrian law shall apply to any Syrian person who, when outside Syrian territory, commits, instigates or is involved in a crime or misdemeanour punishable under Syrian law.

The same shall apply even if the accused person loses his/her Syrian nationality or acquires it after commission of the crime or misdemeanour.

Article 21

Syrian law shall apply outside Syrian territory:

1. To crimes committed by Syrian officials during or on the occasion of their exercise of their functions;

2. To crimes committed by officials of the foreign service and to Syrian consuls, who do not enjoy immunity conferred on them by international public law.

Article 34

Likewise, extradition is denied:

1. If the request for extradition is in connection with a political offence or if it has been established that the extradition is for political ends;

2. If the accused has been extradited to the requesting State;

3. If the penalty provided for in the requesting State's legislation threatens public order.

Article 35

1. If the judge deems that legal conditions have not been met or that the charge is not completely founded, the Government is obliged to deny extradition.

2. If legal conditions have been met, or if the accused states before a judge that he/she agrees to be extradited, leaving aside the legality of the request, the Government may grant or deny it.

Article 36

No person may be prosecuted, sentenced or handed over to a third State for any offence committed prior to the request for extradition, unless the Government of the State from which extradition is requested consents thereto in accordance with the conditions set forth in the preceding article. This consent is not subject to the provisions of article 33, paragraph 3.

1.12 Effective implementation of subparagraph 2 (f) of the resolution requires that States afford one another the greatest measure of assistance in connection with criminal investigations or criminal proceedings. In this context, the Committee would appreciate knowing whether there are any existing domestic legal provisions that cover the following modalities of interstate cooperation: mutual legal assistance; transfer of criminal proceedings; transfer of sentenced persons; and the recognition and validity of foreign criminal judgements. In the absence of any such provisions, please indicate Syria's intention to introduce such laws.

With regard to mutual legal assistance, pursuant to Law No. 53 of 1955 concerning extradition of criminals, and articles 30 to 36 of the Penal Code (cited in the reply to question 1.11), and with the assistance of Interpol's office in Syria, Syria may provide legal assistance to any foreign country with regard to extradition of criminals. It may also transmit legal documents, issue letters rogatory, conduct investigations and seek out evidence.

In addition, under articles 27, 28 and 29 of the Penal Code, Syria recognizes the application of foreign penal codes and judgements rendered in last instance by foreign courts, in accordance with rules set forth in the three articles referred to above, which read as follows:

Article 27

With the exception of the offences referred to in article 19 and those committed in Syrian territory, any person, whether Syrian or foreign, who is the subject of a judgement rendered in the last instance by a foreign court may be prosecuted in Syria. This provision shall also apply to convicted persons who have served their sentence, or whose sentence has lapsed or been waived.

Article 28

1. Acts that are the subject of foreign judgements shall not be liable to prosecution in Syria if they are not prohibited under article 19 or if they have not been committed in Syrian territory, unless the perpetrator has been prosecuted and sentenced abroad at the request of the Syrian authorities.

2. The length of the sentence or pre-trial detention served abroad shall be deducted by the judge from the sentence that he imposes.

Article 29

Criminal judgements rendered by a foreign court for activities categorized as crimes or offences under Syrian law shall be implemented in the following cases:

1. Enforcement measures, provisional measures, and disqualifications, on condition that they are in conformity with Syrian law; appeals; damages; and other civil consequences;

2. Imposition of sentences under Syrian law with regard to provisional measures, disqualifications, appeals, damages and other civil consequences;

3. Application of Syrian law pertaining to repeat or aggregate offences, suspension of the sentence, and suspension of final judicial orders and rehabilitation.

Syrian judges may, on reviewing the record of the case, determine that the judgement rendered by the foreign court is in conformity with the law in terms of both form and substance.

Ratification of the five remaining international instruments on the prevention and suppression of terrorism to which Syria is not yet a party

1.13 The Committee takes note of the studies undertaken in Syria to become party to the international conventions on the prevention and the suppression of terrorism to which it is not yet a party (page 6 of the third report). In this context, it wishes to remind Syria, in relation to its reference to the Arab Convention on the Suppression of Terrorism, that joining regional terrorism conventions cannot be viewed as an alternative to becoming a party to and implementing in domestic law all the international conventions and protocols related to terrorism. In this regard, the Committee recalls subparagraph 3 (d) of the resolution that calls upon all States "to become parties as soon as possible to the relevant international conventions and protocols relating to terrorism, including the International Convention for the Suppression of the Financing of Terrorism of 9 December 1999".

To this end, the Committee would appreciate receiving an update on the conventions to which Syria intends to become party in order to bring it into compliance with the resolution. It is particularly interested in receiving an update on Syria's efforts to become party to the Terrorist Financing Convention and the Terrorist Bombing Convention.

Syria has promulgated Law No. 5 of 3 April 2005, whereby the Syrian Arab Republic acceded to the International Convention for the Suppression of the Financing of Terrorism. The drafting of this report coincides with the deposit of Syria's instrument of accession to the aforementioned convention with the Secretary-General of the United Nations by the Syrian Ministry of Foreign Affairs. Syria will thus have acceded to 9 of the 12 international conventions relating to terrorism. The three remaining conventions are being reviewed.

The effective implementation of the international instruments on the prevention and suppression of terrorism to which Syria is a party

1.14 The Committee would appreciate receiving a response to question 1.14 of its letter to Syria dated 4 April 2003 (S/AC.40/2003/MS/OC.225).

Following its accession to the International Convention for the Suppression of the Financing of Terrorism pursuant to Law No. 5 of 3 April 2005, Syria is now party to 9 of the 12 international conventions relating to terrorism. This accession obliges it, under international law, to adapt its legislation to the provisions of these conventions, in particular with regard to the financing of terrorism. The Government of Syria has therefore taken the following two measures:

1. Establishment of a commission composed of lawyers, financiers and economists, which is responsible for reviewing Law No. 9 of 2003 on action to combat money-laundering and for proposing amendments in conformity with the provisions of the International Convention for the Suppression of the Financing of Terrorism. As stated above, the proposed title of the new law is "Law concerning Action to Combat Money-Laundering and the Financing of Terrorism". Article 2 of this draft law expressly establishes the financing of terrorism as an offence. Syria has had assistance from International Monetary Fund experts, who participated in the review of the draft law and made suggestions. The commission took those suggestions into account and made the necessary changes. The draft law was then resubmitted to the Fund. Syria is currently incorporating the changes proposed by the International Monetary Fund. It will then submit the draft law for consideration by the People's Assembly in accordance with standard constitutional procedures;

2. The Government has established, within the Ministry of Justice, a commission composed of several eminent lawyers tasked with amending the Penal Code in force since 1949. The Government should soon be requesting this commission to review articles 304 and 305 of the Penal Code. The commission will also make proposals to bring Syrian law into line with the international conventions. Emphasis will thus be put on incorporating into the Penal Code provisions that prohibit the financing of terrorism and provisions concerning action to combat all forms of terrorism.

Effective measures pertaining to immigration and border control

1.15 The Committee notes that there are no guidelines issued for the exemption of nationals of any foreign State from the requirement of obtaining a visa for entering or exiting Syria (page 6 of the third report). The Commitee, however, would appreciate receiving any ministerial bylaws and/or policies that may govern the process of such exemption.

The law on the conditions governing the entry and residence of foreigners, published by virtue of Decree-Law No. 29 of 15 January 1980, contains the following articles:

Article 2

No foreign national may enter or transit through the territory of the Syrian Arab Republic unless he/she has a valid passport or any other document serving as such and granting him/her the right of exit, issued by the competent authorities of his/her country or by any other recognized authority.

The passport or document must carry an entry or transit visa issued by the Ministry of the Interior or by Syrian diplomatic or consular missions or by any other body authorized by the Government of the Syrian Arab Republic.

Article 3

Nationals of foreign countries may, by virtue of a decree issued on the proposal of the Minister of the Interior, be exempted from holding visas or presenting a passport.

The Minister of the Interior may also decide to exempt nationals of foreign countries from holding visas or presenting a passport.

Article 4

No foreign national may enter or leave the territory of the Syrian Arab Republic other than at border points established by an order issued by the Minister of the Interior and without the authorization of the competent authority responsible for monitoring the borders, which shall affix a stamp on the passport or document serving as such.

Article 5

Foreign nationals may, pursuant to an order issued by the Ministry of the Interior, be obliged to present an exit visa before leaving the territory of the Syrian Arab Republic. An order issued by the Ministry of the Interior may specify reasons for exemptions, conditions for issuing such visas, the duration of their validity, the authority empowered to issue them and the amount of the tax to be charged, provided that such tax does not exceed 10 Syrian pounds.

Article 6

Commanders of ships and aircraft must, on arrival in or departure from the territory of the Syrian Arab Republic, submit to the official responsible a manifest containing the identity of members of crew and the passengers, as well as all information regarding them. Commanders of such vessels must also inform the competent authorities of the identity of any passengers not carrying passports or whose passports are invalid or have expired, and must prevent those passengers from leaving the ship or aircraft or boarding without the permission of such authorities.

Article 7

Within 15 days of entry into the territory of the Syrian Arab Republic, foreign nationals must report to the immigration and permits service in the capital, its local offices in the governorates, the competent office of the immigration and permits service or, failing that, the nearest police station, to make a declaration by filling out a form drawn up for this purpose by the Ministry of the Interior.

Article 9

Foreign nationals wishing to change their place of residence must inform the immigration and permits service, or its local office in the governorate of their new place of residence, of their new address. If they reside in any place other than the capital of the governorate, they must report within two days of arrival to the competent office of the immigration and permits service or, failing that, the nearest police station, to declare the change of residence. Foreign nationals who have used a tourist visa for the first month following their arrival in the national territory are exempted from meeting this requirement.

Article 11

Managers of hotels, pensions or any other establishment of this type, as well as persons who shelter or lodge foreigners or rent them a dwelling must inform the immigration and permits service, at its local office or the nearest police station, of the identity and address of such persons within two days of their arrival or departure.

Article 12

Foreign nationals must submit, on demand, to the competent authorities their passport, any other document serving as such or any document connected with the duration of their stay. In the case of loss or destruction of the passport or other documents connected with the stay, they must, within three days, inform the competent main or local office of the immigration and permits service or, failing that, the nearest police station.

Article 13

Any person employing a foreign national must make a declaration on a form drawn up for this purpose at the competent main or local office of the immigration and permits service, within three days of the hiring or separation of that person.

Article 15

Foreign nationals wishing to settle in the national territory must be issued a residence permit. They must also leave the territory of the Syrian Arab Republic on the expiration of their residency permit.

Article 38

2. The provisions concerning Palestinian refugees contained in Law No. 89 of 1960, in particular article 18, paragraph 1, and article 33, remain in force pending special legislation governing their entry, stay and movement, and the relevant documentation.

Law No. 89 of 18 March 1960

Article 18

Foreigners having special residency status are:

(a) Palestinian refugees in the Syrian Arab Republic.

Article 33

The Minister of the Interior shall define by an order the form, cases, conditions and modalities for issuing travel documents to certain categories of foreigners and

refugees, as well as the amount of the taxes to be paid, providing that these do not exceed three Egyptian pounds or 27 Syrian pounds, as well as cases that are exempt from full or partial payment of such taxes.

Law No. 42 of 31 December 1975

Article 7

A passport shall be issued to any citizen of the Syrian Arab Republic or Palestinian refugee in that country who fulfils the conditions for obtaining it.

Article 8

Passports of various types shall be issued to various parties and persons among the Syrian citizens who request them, by the Minister of the Interior in accordance with formal requirements defined by him.

It should be noted that no legal text has been promulgated exempting nationals of any country from the obligation of obtaining a visa for entry into or transit through Syria.

1.16 The Committee would like to emphasize that it appreciates receiving copies of any reports or questionnaires submitted to other organizations involved in monitoring international standards as part of Syria's response to the points in the preceding paragraphs, as well as details of any efforts to implement international best practices, codes and standards which are relevant to the implementation of the resolution.

Syria participated in the third meeting on the reinforcement of informal dialogue on illegal migration in the Mediterranean, held in Vienna, Austria, on 5 and 6 February 2004 under the auspices of the International Centre for Migration Policy Development. It also participated in the previous meeting, held in Alexandria, Egypt, on 9 and 10 June 2003. On that occasion, Syria stressed the importance and usefulness of pursuing such informal dialogue under the auspices of the Centre, as well as the need for bilateral and multilateral cooperation among Mediterranean countries, with a view to:

- Combating the root causes of illegal migration, in particular through development assistance and job creation in countries of origin.
- Strengthening efforts to combat illegal migration, in particular by providing technical assistance to transit countries, exchanging information and experience, and increasing the possibilities of voluntary return for illegal migrants.

At that meeting, Syria described the actions undertaken in this area. It has, for example, established a ministry responsible for migration, which has helped strengthen ties between the Syrian community in Europe and the United States and the mother country. It has also encouraged the organization of annual conferences of doctors, engineers, pharmacists and deputies living abroad.

Syria also emphasized that it was continuing its efforts with regard to border surveillance and cooperation with neighbouring States, particularly Lebanon, as a result of which leaders of groups specializing in illegal immigration had been arrested. Syria also cooperates with Turkey, particularly on security, border surveillance and pursuing illegal migrants. Lastly, it announced that it stood ready

to conclude other agreements on cooperation in combating illegal immigration with European countries and that it welcomed any assistance that would enable it to build capacity in that area.

Syria also participated in the second meeting of the Working Group on International Migration, the theme of which was the relationship between migration and development. This meeting was held in Copenhagen on 27 and 28 January 2005. In its statement, Syria presented an overview of government policy in this area and stressed the importance that it attached to the joint management of migratory flows between its territory and that of other countries, global dialogue on migration issues, including illegal migration, and transit migration. In addition to the agreements and arrangements concerning the movement of persons concluded with several neighbouring and nearby countries, in particular Turkey, with whom it has organized the movement of persons from both sides of the border, the Syrian Government has also held consultations with several European countries on migration issues, whether at the multilateral level or on specific issues. Arrangements were therefore concluded and cooperation programmes drawn up concerning the movement of persons and the return of certain Syrian migrants with irregular status. In all cases, the rights of the individuals concerned, particularly the most underprivileged, were respected and care was taken to ensure that their return was voluntary. Several individuals involved in human trafficking were arrested. During this meeting, Syria stressed the importance that the Government attached to citizens who had emigrated and emphasized that such individuals would not lose their Syrian nationality if they took the nationality of the receiving country and that the authorities were concerned for them and their families. Syria also welcomed not only the bilateral and multilateral international cooperation which it had established within the framework of international law and domestic legislation in order to build its capacity to monitor the movement of persons within its borders, but also the measures taken to improve the skills of its leaders and ensure the institutional and legal reinforcement of its bodies.

It should also be mentioned that a delegation of the Monitoring Group of the Security Council Committee established pursuant to resolution 1267 (1999) concerning Al-Qaida and the Taliban and associated individuals and entities visited Syria from 2 to 6 October 2003 to discuss issues relating to the travel ban on individuals appearing in the list drawn up by the Security Council Committee established pursuant to resolution 1267 (1999) and to ensure that the measures listed in paragraphs 4 and 5 of Security Council resolution 1455 (2003) were being implemented.

Another group from the Committee will visit Syria in May 2005.

2. Assistance and guidance

2.1 The Committee wishes to emphasize once more the importance that it attaches to the provision of assistance and advice in connection with the implementation of the resolution.

The Syrian Arab Republic notes the importance of this question. It has requested assistance from the International Monetary Fund and the World Bank. A group of experts from the Fund, in coordination with the World Bank, visited Syria from 27 February to 4 March 2005 and made a number of comments on the new

draft law on money-laundering and the financing of terrorism and the new draft law on banking secrecy. These comments have been taken into account and the two drafts have been resubmitted to the International Monetary Fund with a view to clarifying certain details.

2.2. The Committee wishes once again to stress the urgency that it attaches to the full implementation of the resolution and, in that regard, considers the enactment of amendments to existing legislation to criminalize the financing of terrorism, and of the draft law on money-laundering to be a priority. The Committee would, therefore, strongly recommend that Syria request assistance in drafting the necessary legislation directly from the United Nations Office on Drugs and Crime (UNODC) Terrorism Prevention Branch under its Global Programme against Terrorism.

The Committee is referred to the reply to question 2.1. The necessary amendments have been made to the draft laws on money-laundering and banking secrecy, in response to concerns raised by the Committee, the International Monetary Fund and the World Bank. If necessary, Syria will not hesitate to request direct assistance from the United Nations Office on Drugs and Crime.

2.3 The Committee also wishes to encourage Syria to request further assistance with respect to AML/CFT (anti-money-laundering and combating the financing of terrorism) matters, especially for strengthening financial sector supervision.

Regarding the establishment of a Financial Investigation Unit under the Central Bank of Syria, the Committee strongly urges Syria also to request assistance with respect to the effective operation of a financial intelligence unit.

The Syrian Government appreciates the Committee's offer of assistance. Syria has already requested International Monetary Fund and World Bank assistance in amending certain laws (see response to question 2.1) and will not hesitate, if necessary, to respond favourably to this offer of assistance.

2.4 The Committee's Directory of Assistance (www.un.org/sc/ctc) is frequently updated to include new relevant information on available assistance. The Committee would appreciate receiving information from Syria concerning areas, other than those indicated in the third report, where it might be in a position to provide assistance to other States in relation to the implementation of the resolution.

Syria would like to know in exactly which areas assistance could be provided so that it can examine the possibilities on offer.

2.5 At this stage the Committee will be focusing on requests for assistance that relate to the areas identified by the Committee. However, the assistance to be provided by one State to another on any aspect of the implementation of the resolution is a matter for agreement between them. The Committee would be grateful to be kept informed of any such arrangements and on their outcome.

The Syrian Government has taken note of this question and will inform the Committee of any action it takes in that regard.

2.6 The Committee wishes to develop a constructive dialogue with Syria in relation to measures it is taking to implement the resolution, in particular with regard to those areas identified in this letter as a priority. If Syria feels that it could benefit from discussing aspects of the implementation of the resolution with the Executive Director of the Committee, it is welcome to contact the Counter-Terrorism Executive Directorate as mentioned in paragraph 3.1 below. In addition, the Committee, through its Executive Directorate, may contact Syria's competent authorities to discuss any further matters related to the implementation of the resolution.

The Syrian Government has taken note of and welcomes the proposed dialogue.

3. Submission of further reports

3.1 The Commitee and its Executive Director stand ready to provide further clarification to Syria on any of the matters raised in this letter. The Executive Director can be contacted through Ms. Roselaure Charles (telephone: +1 212 457 1853; fax: +1 212 457 4041; and/or e-mail: charles4@un.org).

Syria has taken note of the offer.

3.2 The Commitee would be grateful to receive further information on the questions and comments raised in this letter from Syria by 10 March 2005. As with previous reports, it is the intention of the Committee to circulate the further report as a document of the Security Council. It is open to Syria, if desired, to submit a confidential annex to the report for the attention of the Committee members only.

The report is being submitted with a slight delay as Syria wished to await the promulgation of the Act on the accession of the Syrian Arab Republic to the International Convention for the Suppression of the Financing of Terrorism, on 3 April 2005, in order to inform the Committee of the said accession. Syria had also planned to promulgate the law on money-laundering and the law on banking secrecy, amending the two previous laws, in March 2005. However, since the International Monetary Fund has proposed further amendments, the two laws will be promulgated after the submission of this report.

3.3 The Committee may, in a future stage of its work, have further comments or questions for Syria arising from other aspects of the resolution. It would be grateful to be kept informed of all relevant developments regarding the implementation of the resolution by Syria.

The Syrian Government stands ready to answer any questions that the Committee may have in that regard.